

# 1997 Corporate Tax Credits and Recapture

## Arizona Form 300

### General Instructions

Obtain additional information or assistance, tax forms and instructions, and copies of tax rulings and tax procedures by contacting one of the numbers listed below:

Phoenix .....(602) 255-3381  
Other Arizona areas .....(800) 352-4090  
Form Orders .....(602) 542-4260  
Forms by Fax .....(602) 542-3756  
Recorded Tax Information  
Phoenix .....(602) 542-1991  
Other Arizona areas ..(800) 845-8192  
Hearing impaired TDD user  
Phoenix .....(602) 542-4021  
Other Arizona areas ...(800) 397-0256

Obtain tax rulings, tax procedures, tax forms and instructions, and other tax information by accessing the department's Internet home page at: <http://www.revenue.state.az.us>

Form 300 may only be used by corporate taxpayers. Individual taxpayers must use Form 301 to claim tax credits.

Corporate taxpayers use this form to summarize their total available tax credits, to determine the application of the available tax credits, and to summarize their tax liability related to recapture of tax credits.

### Line-by-Line Instructions

Enter the taxpayer name and federal employer identification number as shown on Arizona Form 120, 120S, or 120X. Fiscal year basis taxpayers must indicate the period covered by the taxable year.

All returns, statements, and other documents filed with the Department of Revenue require a taxpayer identification number (TIN). The TIN for a corporation is the federal employer identification number. Taxpayers and paid preparers who fail to include the proper TIN may be

subject to a penalty. Please check the return to be sure that all required identification numbers are accurate and written clearly. Missing, incorrect, or unclear identification numbers may cause delays in processing the returns.

### Part I - Nonrefundable Tax Credits

Complete Part I to determine the total amount of available tax credits. All corporate tax credits are nonrefundable tax credits. The available tax credit amount for a particular credit is the total of the current taxable year's credit and any unused credit carryovers from prior taxable years. On lines 1 through 13, enter the available tax credit amount for each of the credits listed.

#### Line 1 - Defense Contracting Credit

Enter the amount from Form 302, Part VIII, line 36.

#### Line 2 - Enterprise Zone Credit

Enter the amount from Form 304, Part XIV, line 45.

#### Line 3 - Environmental Technology Facility Credit

Enter the amount from Form 305, Part V, line 29.

#### Line 4 - Military Reuse Zone Credit

Enter the amount from Form 306, Part IX, line 44.

#### Line 5 - Recycling Equipment Credit

Enter the amount from Form 307, Part V, line 28.

#### Line 6 - Research and Development Expenses Credit

Enter the amount from Form 308, Part VI, line 71.

#### Line 7 - Correctional Industries Credit

Enter the amount from Form 311, Part I, line 5.

#### Line 8 - Agricultural Water Conservation System Credit

Enter the amount from Form 312, Part VI, line 23.

#### Line 9 - Alternative Fuel Vehicles and Equipment Credit

Enter the amount from Form 313, Part II, line 28.

#### Line 10 - Underground Storage Tanks Credit

Enter the amount from Form 314, Part II, line 12.

#### Line 11 - Pollution Control Credit

Enter the amount from Form 315, Part V, line 31.

#### Line 12 - Construction Materials Credit

Enter the amount from Form 316, Part V, line 24.

#### Line 13 - Total Available Tax Credits

Add lines 1 through 12. Enter the total. This is the total amount of all tax credits available for use by the taxpayer.

### Part II - Application of Tax Credits

Complete Part II to determine which tax credits will be claimed and the portion of the available tax credit amount from Part I that will be claimed for a particular tax credit.

#### Line 14 -

*Cash basis taxpayers* — enter the amount of tax from Form 120, page 1, line 18; or Form 120X, page 1, line 18(c).

*Accrual basis taxpayers and Form 120S filers* - enter the amount from the following worksheet.

|   |              |
|---|--------------|
| 1. Arizona income before taxes - from Form 120, page 1,<br>line 15, or Form 120S, page 1, line 11, or Form 120X, page 1, line 15(c) | 1 _____      |
| 2. Correctional industries recapture tax - from Form 311, Part II, line 10  | 2 _____      |
| 3. Subtotal: subtract line 2 from line 1  | 3 _____      |
| 4. Arizona tax rate   | 4 <u>.09</u> |
| 5. Limitation - multiply line 3 by line 4 (if less than \$50, enter \$50).<br><i>Enter here and on Form 300, Part II, line 14.</i>  | 5 _____      |

**Line 15 -**

Enter the amount of tax due from recapture of the environmental technology facility credit on Form 305, Part VI, line 34.

**Line 16 -**

Enter the amount of tax due from recapture of the recycling equipment credit on Form 307, Part VI, line 33.

**Line 17 -**

Add lines 15 and 16. Enter the total here and on Form 120, line 19; or Form 120S, line 15; or Form 120X, line 19(c).

**Line 18 -**

Add lines 14 and 17. Enter the total. This is the maximum amount to which the total amount of tax credits claimed by the taxpayer may be applied.

**Tax Credits Claimed:** The total amount of tax credits claimed by the taxpayer cannot exceed the amount entered on line 18. In order for the taxpayer to determine which tax credit(s) to claim and the amount to claim for a particular tax credit, the taxpayer must consider any limitations on the allowable amount of a particular tax credit and whether the unused portion of a particular tax credit may be carried forward.

**Line 19 - Defense Contracting Credit**

There are two tax credits for qualified defense contractors. The unused portion of both tax credits may be carried forward for five succeeding taxable years, regardless of continuing certification as a qualified defense contractor. Enter the amount claimed.

**Line 20 - Enterprise Zone Credit**

The unused portion of this tax credit may be carried forward for five succeeding taxable years, provided the business remains in the enterprise zone. If the business relocates outside of the enterprise zone or the enterprise zone is terminated, the carryover of the tax credit is lost. Enter the amount claimed.

**Line 21 - Environmental Technology Facility Credit**

The unused portion of this tax credit may be carried forward for fifteen succeeding taxable years. If the taxpayer is subject to the tax related to recapture of this tax credit for the facility, the carryover of the tax credit is lost.

*Cash basis taxpayers* — the portion of the available credit amount from Part I, line 3, that may be claimed by the taxpayer is limited to 75 percent of the amount of tax entered on line 18. Enter the amount claimed.

*Accrual basis taxpayers and Form 120S filers* — the portion of the available credit amount from Part I, line 3, that may be claimed by the taxpayer is limited to 75 percent of the tax (including tax from recapture of the environmental technology facility credit and the recycling equipment credit). Attach a schedule detailing the computation of the allowable credit. Enter the amount claimed.

**Line 22 - Military Reuse Zone Credit**

The unused portion of this tax credit may be carried forward for five succeeding taxable years if the business remains in the military reuse zone. If the business relocates outside of the

military reuse zone, the carryover of the tax credit is lost. Enter the amount claimed.

**Line 23 - Recycling Equipment Credit**

The unused portion of this tax credit may be carried forward for fifteen succeeding taxable years. The carryforward period limitation applies separately to each piece of recycling equipment for which a credit is computed. The unused credit carryovers from prior taxable years must be used by the taxpayer before the current taxable year's credit may be claimed. If the taxpayer is subject to the tax related to recapture of this tax credit for a particular piece of recycling equipment, the portion of the unused credit carryovers related to that recycling equipment is lost.

*Cash basis taxpayers* — the portion of the available credit amount from Part I, line 5, that may be claimed by the taxpayer is limited to the *lesser* of 25 percent of the amount of tax entered on line 18 or \$5,000. Enter the amount claimed.

*Accrual basis taxpayers and Form 120S filers* — the portion of the available credit amount from Part I, line 5, that may be claimed by the taxpayer is limited to the *lesser* of 25 percent of the tax (including tax from recapture of the environmental technology facility credit and the recycling equipment credit) or \$5,000. Attach a schedule detailing the computation of the allowable credit. Enter the amount claimed.

**Line 24 - Research  
and Development Expenses Credit**

There is no carryforward of the unused portion of this tax credit. Enter the amount claimed.

**Line 25 -  
Correctional Industries Credit**

There is no carryforward of the unused portion of this tax credit. Enter the amount claimed.

**Line 26 - Agricultural Water  
Conservation System Credit**

The unused portion of this tax credit may be carried forward for five succeeding taxable years. Enter the amount claimed.

**Line 27 - Alternative Fuel  
Vehicles and Equipment Credit**

The unused portion of this tax credit may be carried forward for five succeeding taxable years. Enter the amount claimed.

**Line 28 - Underground  
Storage Tanks Credit**

There is no carryforward of the unused portion of this tax credit. Enter the amount claimed.

**Line 29 - Pollution Control Credit**

The unused portion of this tax credit may be carried forward for five succeeding taxable years. Enter the amount claimed.

**Line 30 -  
Construction Materials Credit**

The unused portion of this tax credit may be carried forward for five succeeding taxable years. Enter the amount claimed.

**Line 31 - Total Tax Credits Claimed**

Add lines 19 through 30. Enter the total. This amount cannot exceed the maximum amount entered on line 18. Enter the amount from this line on Form 120, line 21; or Form 120S, line 17; or Form 120X, line 21(c).

**Line 32 - Correctional  
Industries Recapture Tax**

Enter the amount of correctional industries recapture tax from Form 311, Part II, line 10, on this line. Enter the amount from this line on Form 120, line 24; or Form 120S, line 20; or Form 120X, line 24(c).